

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	Chapter 7
Team Systems International, LLC,	Case No. 22-10066 (CTG)
Debtor.	

**PRELIMINARY OBJECTION OF THE CHAPTER 7 TRUSTEE TO PROOF OF  
CLAIM FILED BY SIMONS EXPLORATION, INC.**

George L. Miller, solely in his capacity as the chapter 7 trustee (the “Trustee”) of the estate of Team Systems International, LLC (the “Debtor”), files this Preliminary Objection to Proof of Claim No. 4 (the “Proof of Claim”) filed by Simons Exploration, Inc. (the “Alleged Claimant”).

**BACKGROUND**

1. On January 18, 2022 (the “Petition Date”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.
2. On March 31, 2022 (the “Conversion Date”), the Court entered an order converting the Debtor’s case to a case under chapter 7 of the Bankruptcy Code. On the Conversion Date, George L. Miller was appointed as chapter 7 trustee of the Debtor.
3. The section 341(a) meeting of creditors is scheduled for April 28, 2022.
4. On January 26, 2022, the Debtor filed its schedules of assets and liabilities [Dkt. No. 28] and scheduled the Alleged Claimant as holding a contingent, unliquidated and disputed claim.
5. On April 27, 2022, the Alleged Claimant filed the Proof of Claim in the amount of \$2,948,080.46.

6. Prior to the Petition Date, the Alleged Claimant and GPDEV, LLC (“GPDEV”) filed suit against the Debtor in the United States District for the Northern District of Florida, Case No. 18-cv-00442-RH-MAF (the “Prepetition Lawsuit”). As set forth in the Proof of Claim (i) the Alleged Claimant obtained a judgment against the Debtor in the Prepetition Lawsuit in the amount of \$2,948,080.46, plus post-judgment interest (the “Simons Judgment”) and (ii) GPDEV obtained a judgment against the Debtor in the Prepetition Lawsuit in the amount of \$3,297,995.32, plus post-judgment interest (the “GPDEV Judgment” and collectively, the “Judgments”).

7. Thereafter, the Debtor timely appealed the Judgments to the United States Court of Appeals for the Eleventh Circuit (the “Appeal”). By the Appeal, the Debtor continues to dispute both the Debtor’s liability on, and the amount of, the Judgments on various grounds. The Appeal remains pending as of the date of this Preliminary Objection. Attached hereto as Exhibit A is the Debtor’s opening brief filed in the Appeal (the “Opening Brief”). The Opening Brief details the Debtor’s various disputes with respect to the Judgments and the Trustee incorporates the Opening Brief into this Preliminary Objection by reference.

### **PRELIMINARY OBJECTION**

8. The Trustee objects to the Proof of Claim, on a preliminary basis, because it is disputed.<sup>1</sup> The Proof of Claim, which is based on the Simons Judgment, is subject to dispute for the reasons set forth in the Opening Brief. For the reasons set forth more fully in the Opening Brief, there are disputes as to both liability and amount of the Proof of Claim.

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<sup>1</sup> A proof of claim based upon a prepetition judgment which is subject to a pending appeal (even if the appeal is unstayed) is “disputed” for purposes of section 702 of the Bankruptcy Code. *See In re Williams*, 277 B.R. 114, 118 - 121 (Bankr. C.D. Cal. 2002)

**RESERVATION OF RIGHTS**

9. As indicated, this Preliminary Objection to the Proof of Claim is preliminary in nature and the Trustee is continuing to investigate the Proof of Claim and any objections or defenses thereto, as well as any claims, or causes of action the Trustee or the Debtor's estate may have against the Alleged Claimant. The Trustee reserves the right to amend or supplement this Objection and/or to file additional objections to the Proof of Claim or any other claims filed or asserted by the Alleged Claimant on any and all grounds available. Nothing herein shall be a waiver of any such objections or any other claim or cause of action the Trustee may assert against Alleged Claimant.

10. The Trustee, on behalf of himself, the Debtor and its estate, expressly reserves all claims, counterclaims, defenses, rights, remedies and arguments as to any party, including the Alleged Claimant.

WHEREFORE, the Trustee respectfully requests that the Court enter an order (a) sustaining this Preliminary Objection, (b) determining that the Proof of Claim is disputed, and (c) granting the Trustee such other and further relief as is just and proper.

Dated: April 28, 2022

**ARCHER & GREINER, P.C.**

/s/ Alan M. Root

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